

IMPLEMENTING THE NEW TOTAL REWARDS PROCESS WITHIN THE DIGITALIZED SOCIETIES

Viorel LEFTER

University Professor, Ph.D.
Academy of Economic Studies Bucharest

Elvira NICA

University Lecturer, Ph.D.
Academy of Economic Studies Bucharest
popescu_elvira@yahoo.com

Alexandra MIRONESCU

Teaching Assistant, Ph.D. Student
Romanian-American University, Bucharest
insp_ionescu_alexandra@yahoo.com

Rezumat

Societatea a evoluat și odată cu ea, de asemenea, nevoile umane profesionale. Angajații doresc și au nevoie să fie recunoscuți pentru contribuțiile lor valoroase și suplimentare. Recompensele și recunoașterea sunt instrumente puternice pentru a demonstra aprecierea și consolidarea acelor comportamente care conduc spre realizarea de produse superioare, la dimensionarea suportului deosebit, crearea unor relații puternice cu furnizorul și clienții pe tot parcursul vieții. Instrumentul principal al societăților digitale, pentru furnizarea de recompense la fața locului, este noul proces total de recompense, o resursă pentru compensare globală, beneficii, plată variabilă, echitate și recompense, plus recunoașterea informațiilor de valoare despre program, din cadrul arhitecturii locurilor de muncă. Dat fiind faptul că recunoașterea este cunoscută în lume ca cea mai mare motivatie și ca una dintre cele mai mari forțe ale oricărei organizații este concretizată în oamenii care lucrează acolo, necesitatea punerii în aplicare a noului proces total de recompense devine acută. Angajații pe termen lung oferă cunoștințe, experiență, și atitudini care sunt responsabile pentru o mare parte din succesul societății digitale. Ca o recunoaștere a acestui fapt, noi recompense totale sunt prezentate angajaților eligibili în scopul sărbătoririi etapelor carierei lor și recunoașterii contribuției lor la promovarea companiei.

Prin introducerea noului proces total de recompensa recunoașterea cu adevărat eficientă nu va mai fi doar un program sau o politică mandată de HR, acesta va deveni o nouă tendință de cultura organizațională care atinge toate colțurile companiei aproximativ în fiecare zi a săptămânii de lucru.

Cuvinte cheie: recompensare totală, angajații pe perioada nedeterminată, etapele carierei, perfecționare continuă, capital uman.

Abstract

The society evolved and with it also the human's professional needs. Employees want and need to be acknowledged for their valuable and extra contributions. Rewards and recognition are powerful tools for demonstrating appreciation and reinforcing those behaviors that lead to superior products, outstanding support, strong supplier relationships, and lifelong customers. Digitalized societies primary tool for providing spot rewards is new total rewards process, a resource for global compensation, benefits, variable pay, equity and rewards plus recognition program information as well as job architecture valuable information.

As recognition is being known worldwide as the greatest motivator and one of the greatest strengths of any organization are the people who work there, the necessity of implementing the new total rewards process becomes acute. Long-service employees provide the knowledge, experience, and attitudes that are responsible for much of digitalized societies success. In recognition of this, new total rewards are presented to eligible employees in celebration of their career milestones and to acknowledge their contribution to the company.

By introducing the new total reward process the truly effective recognition will be no longer a program or a policy mandated by HR, it will become a way of organizational life that touches all corners of the organization most every day of the working week.

Keywords: total rewards, long-service employees, career milestones, perpetual development, human capital.

JEL Classification: J24; J81; O15; O33.

INTRODUCTION

Taking into account the perpetual development of human capital within this new economy we can say that the use of new technologies is an evolutionary process, which allows improving business processes, provided there is a primordial ongoing review of strategies, techniques and tools to companies who choose the path to this new digital economy. Special role it plays, of course, globalization through the generalization of technological changes creating a substantive dimension of competitiveness between firms. But at the same time, it cannot be obtained sustainable competitive advantages in the long term. Examples from the global market, demonstrates the validity of this concept.

Indeed technology has revolutionized the way in which transactions are conducted, but the business itself is slowly adapting to the new economic context. Thus, the successful implementation of new technologies, new circumstances developing economies, assumes primary, designing a new management culture and a new organization, because the overall change is the start of the premises and management of a business, using new business models based on digitalization, taking into account the opportunities and risks that can be foreseen (Drizin and Hundley, 2008).

Essentially, the strategies to promote human capital focuses on the sizing of human capital in terms of strategic and operational needs of the national economy and ensuring efficient use of these resources. Developing such strategies will build strategies for economic development through the establishment of future requirements for capital, by identifying top ways to use of this capital, where available human capital will support the implementation of plans for economic development.

Taking into consideration the new professional needs of contemporary workforce, the companies must take action in order to efficient motivate their employees, in the acute specialized brain drain context.

Keeping an employee inside a company and focused on its responsibilities, seems to complete in our days the quote: "what get's rewarded, get's repeated" (Kovac, 2009).

Thus, in this framework it is found as absolutely necessary to revive the motivational process. The doctrine underlines the differences between financial and non-financial motivational methods, but it should also firmly underline the need for their strong binding, even though the financial rewards are more powerful in today's capitalized economy.

The proposed total reward process binds together base pay, variable pay, reward plus recognition, equity and also benefits.

In this sense, competitive advantage can not be described as being integrated into some limits given that the activities of the digital market are varied in terms of size and shape, there is no set of information technologies to be valid for the whole number of companies, even though most of them are based on the relationship and communication with customers, suppliers and employees.

Thus, human capital appears to be developing in a virtual enterprise, in an enterprise designed in cybernetic space. From this point of view is being developed the urgent need for human capital to integrate significantly in the global informational community. And it also appears the need for know-how of planning and operating in the new digital economy.

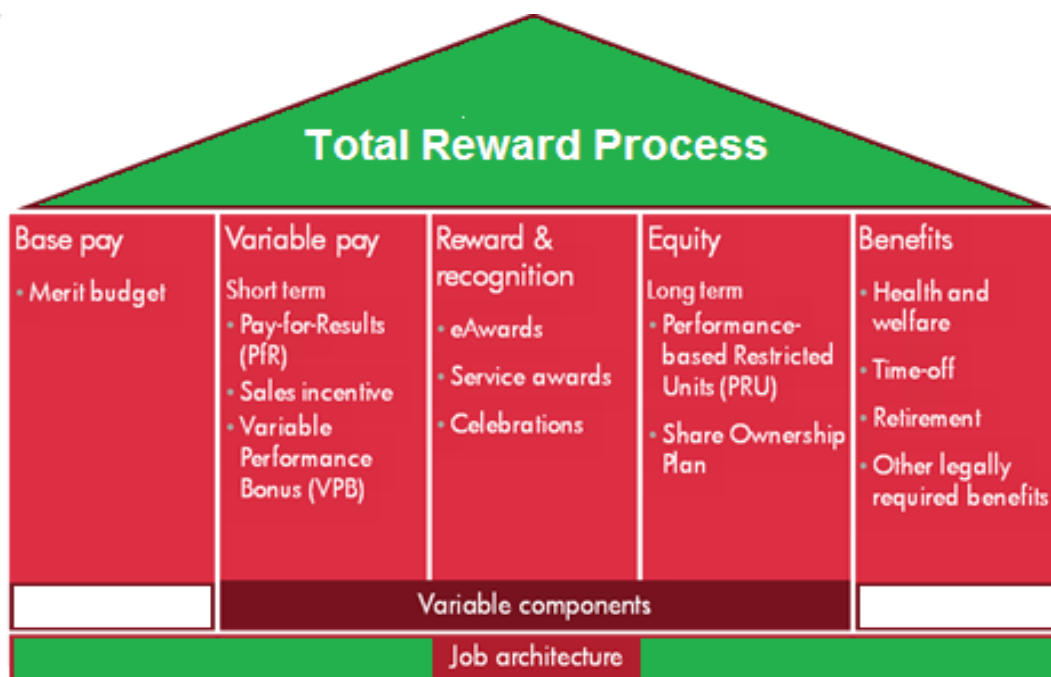


FIGURE1. TOTAL REWARD PROCESS

A base pay program, along with other elements of total rewards, enables the company to attract, retain and motivate talented and diverse workforce inside a company. As part of total rewards within the digitalized societies, providing a base pay intended to attract and retain a competitive workforce will make the differences between employees. The digitalized societies, and not only, should use data from relevant markets to construct competitive pay ranges. Increases in base pay must be driven primarily through an annual performance. Increases are funded based on business performance, affordability, and investment trade-offs within the total rewards program. In addition to the above, adjustments in base pay are influenced by individual performance relative to the other members of the work team.

Variable pay must be also an integral part of digitalized societies total rewards package. Companies must use variable pay programs to reward strong and consistent company and individual performance. The variable performance bonus, which is the bonus program for broad-based employees and not only, must be funded by business results and managers that have the discretion to differentiate awards based on job level, job role, and individual performance.

As the bonus is discretionary, not all employees receive a bonus. Pay-for-Results is the bonus program for certain categories of employees, mostly on a higher level on the hierarchy management level. Pay-for-Results bonuses are also discretionary, funded by business results, and differentiated by level and individual performance. This aligns the variable pay programs for all employees to a common approach where more of total pay is "at risk" for those who have a greater level of responsibility and ability to affect company results.

Companies must use a global market data from a blend of peer competitor companies to construct its variable pay programs. Variable pay programs balance market practice, the competitive position of total rewards program, and affordability, and must be annually reviewed and approved by the department in charge (The WorldatWork, 2007).

All full-time and part-time employees and its designated affiliates must always become eligible to be considered for a bonus.

Also, the participation in executive variable pay programs should be based on level of responsibility and job grade. As level of responsibility in the organization increases, the portion of total compensation that is variable increases as well. Executive variable pay programs emphasize each individual's responsibility for high achievement and provide a strong link between pay and performance at both a company and individual level.

Performance can be measured through financial, customer, and other operational metrics.

As one part of total rewards program, companies, in order to be competitive, should ensure the provision of tools that recognize and reward employees on a real-time basis. So they have to ensure a reward and recognition program also, for the digitalized societies we can have the e-Awards which can offer managers a personal means of recognizing and rewarding employees' outstanding accomplishments via cash or non-cash awards made on a timely basis, can support a high performance workplace and business strategy and also can provide flexibility in meeting internal business needs.

Regular full-time, regular part-time and limited term employees on payroll must be eligible for e-Awards. New employees are eligible to receive an award after the effective date of hire. Terminated employees are not eligible for the program after their last day of employment within the company. In order to proper ensure the accurate election for e-Award people managers can execute a nomination for an e-Award. But for sure, managers cannot approve their own nomination; at least one level of approval is required (Kovac, 2009).

Being all personal, e-Awards cannot be transferred, refunded or exchanged and the receipt of an e-Award may be a one-time award and does not create any entitlement to a future award.

Also, as part of the new total reward program must be included the equity compensation intended to attract and retain a talented workforce. A company's equity programs must be designed to encourage the creation of long-term value for stockholders, strengthen employees' alignment to company goals and encourage employee ownership.

Thus, a digitalized society's equity programs must consist of performance-based restricted units, stock options, restricted stock units and foreign stock appreciation rights. There must be used some or all of these vehicles in any given year depending on regulatory or financial requirements, business conditions, and competitive practices.

However, must be also added the access to benefits also that can easily vary by country, depending on local legal requirements and competitive practices. Benefits generally include health & welfare, retirement, and time-off programs (Bogosian and Limoges, 2008).

Therefore as a developed, well capacitated society, it must be recognized that: part of establishing a productive work environment requires a strong foundation of health and welfare benefits to provide the employee, and their family as appropriate, with the knowledge that they are protected from significant risk in these areas. A company must offer the minimum retirement benefits required by country legislation or regulations. Any program that provides benefits in excess of the required level must be shown to be a competitive requirement. And also, a company must support a wide range of employees' needs through a variety of paid and non-paid leaves, in order to reach the employees necessities.

Benefit plan designs will recognize the differing needs of employees at different stages of their career and personal life (Bianchi, 2008).

So, throughout history, employers have been challenged with attracting, motivating and retaining employees. From the simplest barter systems of centuries past to the current complex incentive formulas of today, the organizational premise has been the same: Provide productivity and results to enterprise and something of value will be provided.

During the past several years, the concept of total rewards has advanced considerably. Practitioners have experienced the power of leveraging multiple factors to attract, motivate and retain talent; high-performing companies realize that their proprietary total rewards programs allow them to excel in new ways (Kovac, 2008). At the same time, human resource professionals, consulting firms, service providers and academic institutions have made significant contributions to our understanding of total rewards.

So, as merit budgets become tighter and health-care costs continue to escalate, organizations are looking for other means to attract, motivate and retain key talent. Success in a role or an organization is a shared responsibility between employers and employees. Employees are responsible for determining where they want to go in their careers, and the employer provides access to training, education and potential funds to support employees' efforts.

Today's best companies offer total rewards packages that go beyond compensation and benefits to attract, motivate, and retain employees. An excellent total rewards package will lead to positive changes in workforce behavior, reinforce overall business strategy, and ensure organizational success for the future.

In conclusion, HR is changing fast with the birth of new industries and emerging markets, mergers and acquisitions, downsizing, globalization, corporate restructuring, and technological advances. The labor market is tight, and employers are looking for ways to work smarter, faster, and more efficiently. Meanwhile, younger generations and their nontraditional values are reshaping workforces and compensation practices.

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